Exhibit "A"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

JAMES QUINN, Derivatively on Behalf of Nominal Defendant APPLE REIT TEN, INC., Plaintiff, v. GLADE M. KNIGHT, JUSTIN KNIGHT, KENT W. COLTON, R. GARNETT HALL, JR., DAVID J. ADAMS, ANTHONY F. KEATING III, DAVID BUCKLEY, KRISTIAN GATHRIGHT, DAVID MCKENNEY, BRYAN PEERY, and APPLE HOSPITALITY REIT, INC., Defendants, and APPLE REIT TEN, INC., Nominal Defendant.	Case No. 3:16-cv-00610-JAG

STIPULATION AND AGREEMENT
OF COMPROMISE, SETTLEMENT, AND RELEASE

This Stipulation and Agreement of Compromise, Settlement, and Release (the "Stipulation"), dated as of November 28, 2016, is made and entered into by and among the following Parties,[1] to the above-entitled Action, through their respective counsel: (i) Plaintiff (on behalf of himself and derivatively on behalf of Nominal Defendant Apple Ten); (ii) the Individual Defendants; (iii) Apple Hospitality; and (iv) Nominal Defendant Apple Ten. The Stipulation is intended by the Parties to resolve, discharge, and settle, fully, finally, and forever, the Released Claims upon and subject to the terms and conditions herein.

[1] Capitalized terms used herein are defined in Section V.A below, unless otherwise noted.

I. BACKGROUND

1. On June 22, 2016, Plaintiff James Quinn, an Apple Ten shareholder, served the Board of Directors of Apple Ten (the "Board") with a letter pursuant to Va. Code § 13.1–672.1(B) demanding that the Board take action to remedy alleged breaches of fiduciary duty and other violations of law by the directors and officers of Apple Ten in connection with a merger agreement entered into between Apple Ten and Apple Hospitality on April 13, 2016 (the "Merger"). Shortly thereafter, on July 19, 2016, Plaintiff filed a Verified Shareholder Derivative Complaint (the "Complaint") in the United States District Court for the Eastern District of Virginia, Richmond Division. The Complaint asserted derivative claims for: (1) breach of fiduciary duty of loyalty and good faith against Glade Knight, Kent Colton, David Adams, R. Garnett Hall, and Anthony Keating (the "Director Defendants"); and (2) aiding and abetting breaches of fiduciary duty against Justin Knight, David Buckley, Bryan Peery, Kristian Gathright, David McKenney (the "Executive Defendants"), and Apple Hospitality.

2. On July 21, 2016, Plaintiff filed a Motion for Expedited Proceedings and Memorandum in Support thereof seeking to obtain discovery on an expedited basis in advance of Plaintiff's then-forthcoming motion for a preliminary injunction (the "P.I. Motion") to enjoin the special meeting of Apple Ten shareholders scheduled for August 31, 2016. Concurrently, on July 21, 2016, Plaintiff served his First Request for Production of Documents on Defendants seeking, *inter alia*, certain documents and information relating to the Merger. During the next several days, Plaintiff's Counsel and counsel for Defendants met and conferred multiple times and worked diligently toward an agreement on the discovery that would be taken on an expedited timeframe, including the production of documents and depositions to be taken in advance of the filing of Plaintiff's P.I. Motion. As a result of those discussions, on July 27, 2016, Defendants

began a rolling production of documents to Plaintiff, and Plaintiff's Counsel took the depositions of: (1) Kent Colton on August 8, 2016 in Tysons Corner, Virginia; (2) Glade Knight on August 9, 2016 in Richmond, Virginia; and (3) Justin Knight on August 12, 2016 in Richmond, Virginia. In addition, on July 26, 2016, Plaintiff served Citigroup Global Markets, Inc. ("Citi"), Apple Ten's financial advisor, with a subpoena *duces tecum* and *ad testificandum* and, after extensive discussions with Citi's counsel, Citi produced responsive documents on a rolling basis beginning on August 7, 2016. On August 11, 2016 Plaintiff's Counsel took the deposition of Jens Thomas Jung, a representative of Citi, in New York City, New York. In total, Defendants and Citi produced, and Plaintiff's Counsel reviewed, over 84,000 pages of confidential, non-public documents in advance of filing the P.I. Motion.

3. While Plaintiff was negotiating and conducting discovery on an expedited basis, on July 25, 2016, the Court ordered the Parties to attend a settlement conference with the Honorable Magistrate Judge David J. Novak ("Judge Novak"), and a mediation was scheduled for August 4, 2016. In advance of the mediation, on July 28, 2016, Plaintiff sent to Judge Novak his confidential mediation statement, and, on the next day, supplemented his mediation statement with additional information and analysis performed by Plaintiff's damages expert. On August 4, 2016, a settlement conference was held with Judge Novak, attended by Plaintiff, Plaintiff's Counsel and counsel for Defendants. No resolution was reached at its conclusion.

4. The day after the mediation, August 5, 2016, the Court held a teleconference to hear argument on Plaintiff's Motion for Expedited Proceedings as the Parties were unable to reach an agreement on a hearing date or briefing schedule for Plaintiff's P.I. Motion. After the conference, the Court issued an order setting the briefing schedule and a hearing date of August 26, 2016 for Plaintiff's P.I. Motion. On that same day, Defendants filed a

Motion to Dismiss Pursuant to Federal Rule of Civil Procedure 23.1, and, concurrently therewith, filed a Motion to Expedite the briefing schedule on their Motion to Dismiss. Three days later, on August 8, 2016, Defendants filed a Motion to Compel Discovery, demanding that Plaintiff make himself available for a deposition no later than August 12, 2016. The Court denied Defendants' Motion to Expedite and ordered the Parties to agree upon a date for Plaintiff's deposition. As a result of those discussions, on August 19, 2016, Defendants took the deposition of Plaintiff James Quinn in Washington, D.C.

5. On August 13, 2016, Plaintiff filed his P.I. Motion, Memorandum in Support and the Declaration of Garrett Wilson. The Parties fully briefed the P.I. Motion, with Defendants filing their opposition brief on August 20, 2016, and Plaintiff filing his reply brief on August 24, 2016. In addition, the Parties fully briefed Defendant's Motion to Dismiss Pursuant to FRCP 23.1 in advance of the preliminary injunction hearing with Plaintiff filing his opposition brief on August 19, 2016 and Defendants filing their reply brief on August 24, 2016.

6. On August 26, 2016, the Court held a hearing on Plaintiff's P.I. Motion. After hearing argument and testimony, the Court entered an order denying the P.I. Motion and ordering a conference call to be held on August 31, 2016 to set a trial date and schedule. On August 30, 2016, counsel for Plaintiff and Defendants met and conferred on a proposed trial schedule. On August 31, 2016, the Court held a teleconference with the Parties and entered the Initial Pretrial Order and scheduled a trial to begin on November 14, 2016.

7. Throughout the month of September through early October 2016, the Parties engaged in extensive discovery. For example, on September 1, 2016, Plaintiff served interrogatories and a second request for production of documents on various Defendants and served subpoenas *duces tecum* and *ad testificandum* on Robert W. Baird & Co., David Lerner

Associates, Inc., and Wells Fargo Securities, LLC ("Wells Fargo"). On September 2, 2016, certain Defendants served interrogatories, document requests, and requests for admission on Plaintiff. After Defendants and Plaintiff served their respective discovery responses, the Parties engaged in multiple meet and confer sessions which resulted in the Parties serving supplemental discovery responses and Defendants produced additional documents which had been withheld on various grounds. On September 9, 2016, Defendants filed their Answers to the Complaint. During fact discovery, Plaintiff's Counsel took the depositions of: (1) Defendant Garnett Hall, Jr. on September 23, 2016 in Richmond, Virginia; (2) Defendant David Adams on September 28, 2016 in Richmond, Virginia; (3) Glenn W. Bunting on October 11, 2016 in Richmond, Virginia; (4) Defendant Bryan Peery on October 12, 2016, in Richmond, Virginia; and (5) David Kieske, a representative of Apple Hospitality's financial advisor, Wells Fargo, on October 12, 2016, in New York City, New York. On September 23, 2016, Plaintiff made a production of documents to Defendants in response to their discovery requests. Pursuant to the Court's Initial Pretrial Order, fact discovery closed on October 11, 2016. In total, Defendants and third parties produced (and Plaintiff's Counsel reviewed) over 14,398 documents, totaling over 154,324 pages.

8. During October 2016, the Parties engaged in extensive expert discovery. For example, on October 4, 2016, Plaintiff served on Defendants the expert report of Guhan Subramanian, and on October 10, 2016, Defendants' Counsel took his deposition in Boston, Massachusetts. On October 14, 2016, Plaintiff served on Defendants the expert report of Chad Coffman, and Defendants' Counsel took his deposition on October 20, 2016 in Radnor, Pennsylvania. Also on October 14, 2016, Defendants served on Plaintiff the expert report of William Rakes, and Plaintiff's Counsel took his deposition on October 19, 2016 in Roanoke,

Virginia. Last, on October 18, 2016, Defendants served on Plaintiff the rebuttal expert report of James Gavin, and Plaintiff's Counsel took his deposition on October 21, 2016 in Washington, D.C.

9. While the Parties were conducting fact and expert discovery, they briefed and filed several motions. For example, on September 7, 2016, Apple Ten and the Director Defendants filed a Motion to Dismiss for Lack of Standing and Failure to State a Claim and Memorandum in Support thereof. Also on September 7, 2016, Apple Hospitality and the Executive Defendants filed a Motion to Dismiss for Failure to State a Claim and Memorandum in Support thereof. On September 21, 2016, Plaintiff filed an Omnibus Memorandum of Law in Opposition to Defendants' Motions to Dismiss for failure to state a claim. On September 26, 2016, Apple Ten and the Director Defendants filed a Reply in Support of their Motion to Dismiss for Lack of Standing and Failure to State a Claim. Also on September 26, 2016, Apple Hospitality and the Executive Defendants filed a Reply Memorandum in Support of their Motion to Dismiss for Failure to State a Claim. On October 14, 2016, the Court entered an Order denying all three of Defendants' Motions to Dismiss and, on November 1, 2016, the Court issued its opinion denying Defendants' three Motions to Dismiss.

10. In addition, on October, 14, 2016, Plaintiff filed a Motion for Leave to File an Amended Complaint and a Memorandum in Support thereof and attached thereto a Proposed Amended Complaint, which added a derivative claim for violation of Virginia Code § 13.1-691. After meeting and conferring with Defendants on that motion, on October 19, 2016, Plaintiff withdrew his Motion for Leave to File an Amended Complaint and filed a new Motion for Leave to File an Amended Complaint and a Memorandum in Support. On October 20, 2016, the Court issued an order directing Defendants to respond to Plaintiff's Motion for Leave to File

an Amended Complaint no later than October 24, 2016 which Defendants filed on that day. On October 25, 2016, Plaintiff filed a Reply Memorandum in Further Support of his Motion for Leave to Amend the Complaint. On October 26, 2016, the Court entered an order denying Plaintiff's Motion for Leave to Amend Complaint.

11. During mid-October, the Parties began to meet and confer about document Defendants withheld on the basis of attorney-client privilege as described on Apple Ten and Apple Hospitality's respective privilege logs. On October 28, 2016, after failing to reach a resolution, Plaintiff filed a Motion to Compel the Production of Documents Improperly Withheld under Attorney-Client Privilege and Supporting Documents along with an under seal Memorandum of Law in Support. Concurrently therewith, Plaintiff filed a Motion for Expedited Proceedings Concerning Plaintiff's Motion to Compel. On November 1, 2016, the Court requested that Defendants provide copies to the Court of the documents subject to Plaintiff's Motion to Compel for *in camera* review and set a hearing for November 2, 2016. On November 2, 2016, the Court held a hearing on Plaintiff's Motion to Compel and, at its conclusion, ordered Defendants to submit any written response(s) by the next day, November 3, 2016.

12. On October 28, 2016, all motions for summary judgment and motions *in limine* were due pursuant to the Court's Initial Pretrial Order. Both the Director Defendants and the Executive Defendants filed separate Motions for Summary Judgment and Memoranda of Law in Support. Defendants also filed a Motion in Limine and Memorandum in Support to prevent Plaintiff from offering evidence or argument at trial regarding: (1) director fees paid to any Defendant by Apple Ten or any other Glade Knight-founded or controlled entity; (2) prior litigation and investigations involving Defendants, including *DCG&T v. Knight*, 3:13-cv-0067-JAG (E.D. Va.) and the Securities and Exchange Commission's (the "SEC") February 12, 2014

Order Instituting Cease-and-Desist Proceedings, as well as the investigation leading up to that order; (3) compensation paid to Glade Knight in connection with prior mergers or acquisitions of Apple entities and other business endeavors that are unrelated to the merger of Apple Ten and Apple Hospitality; (4) facts or circumstances that go beyond "the procedural indicia whether the directors reported in good faith to an informed decision-making process"; (5) McGuireWoods' representation of Apple Ten and other Apple entities prior to the firm's engagement by the Special Committee in connection with the Merger; and (6) the existence of insurance and indemnification obligations that might be called upon to fund or finance any judgment against the Defendants. On October 28, 2016, Defendants also filed Motions and Memoranda to Exclude the Testimony and Opinions of Plaintiff's expert witnesses Chad W. Coffman and Guhan Subramanian.

13. Also on October 28, 2016, Plaintiff filed two Motions in Limine and Memoranda in Support to prevent Defendants from offering evidence or argument at trial regarding: (1) Plaintiff's standing, adequacy, and ownership of Apple Hospitality stock; and (2) the SEC's endorsement or approval of the proxy statements in connection with the Merger. Plaintiff also filed a Motion and Memorandum in Support to Exclude the Testimony and Opinions of Defendants' expert witness William R. Rakes.

14. On October 31, 2016, Plaintiff filed with the Court a copy of his witness list and his initial exhibit list. On that same day, the Parties met and conferred regarding a stipulation of uncontested facts and Plaintiff's Counsel provided Defendants with a draft stipulation of facts for Defendants to review in advance thereof.

15. On November 2, 2016, the Parties participated in an all-day mediation session with Judge Novak. In advance of the mediation, on October 26, 2016, the Parties

submitted supplemental mediation statements to Judge Novak. At the conclusion of the mediation session, Judge Novak made a proposal to resolve the Action, which the Parties separately accepted and executed a Memorandum of Understanding memorializing the material terms of settlement, subject to the negotiation and execution of the settlement documents.

II. PLAINTIFF'S INVESTIGATION AND RESEARCH

1. Plaintiff's Counsel conducted an extensive investigation concerning the claims asserted in the Action. Plaintiff's Counsel's investigation has included the review of: (i) corporate documents obtained through discovery; (ii) over 154,000 pages of documents that Defendants and third parties produced in the Action; (iii) dozens of public filings with the SEC of various Apple-related entities, dating from 1997 through 2016; and (iv) transcripts and court filings from the action relating to the roll-up of Apple Seven, Eight, and Nine, captioned *DCG&T v. Knight*, 3:13-cv-0067-JAG (E.D. Va.). Plaintiff's Counsel also investigated potential conflicts of interest between and among the members of the Board and the Executive Defendants. Plaintiff's Counsel's legal investigation included research of applicable law to allege and prove the claims alleged against the Defendants, including significant research on the merits and regarding Defendants' claimed privileges and other objections made in response to Plaintiff's discovery requests in the Action and relating to Defendants' privilege logs. Plaintiff's Counsel also retained several experts regarding certain issues relevant to the Action, including damages experts and a corporate governance and deal process expert.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

1. Each of the Defendants has denied and continues to deny each and all of the claims and contentions that Plaintiff has alleged. Each of the Defendants expressly has denied and continues to deny all charges of wrongdoing or liability against him, her, or it arising

out of any of the conduct, statements, acts or omissions alleged in the Action. Each of the Individual Defendants also has denied and continues to deny, *inter alia*, each and every allegation that they breached their fiduciary duties to Apple Ten or Apple Ten's shareholders, or aided and abetted any such breach. Each of the Defendants further has asserted and continues to assert that at all material times, he, she, or it acted in good faith and in a manner he, she, or it reasonably believed to be in the best interests of Apple Ten and Apple Ten shareholders.

2. Nonetheless, each Defendant has concluded that the further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to limit further expense, inconvenience, and distraction, to dispose of burdensome and protracted litigation, and without further expensive litigation and the distraction and diversion of executive personnel with respect to matters at issue in the Action. Defendants have therefore determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants and Apple Ten believe that the settlement set forth in this Stipulation confers substantial benefits upon Apple Ten and Apple Ten's shareholders and that the settlement is in the best interests of Apple Ten.

IV. PLAINTIFF'S CLAIMS AND BENEFITS OF SETTLEMENT

1. Plaintiff believes that the claims asserted in the Action have merit. Plaintiff and Plaintiff's Counsel, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and appeals. Plaintiff and Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex derivative actions such as this Action, as well as the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also

mindful of the inherent problems of proof and possible defenses to the violations asserted in the Complaint, including the defenses that the Defendants asserted both orally in discussions with counsel and in papers filed in the Action.

2. In light of the foregoing and based on Plaintiff's Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiff and Plaintiff's Counsel believe that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon the Settlement Members, Apple Ten, and its shareholders.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO AND AGREED, by and among Plaintiff (for himself and derivatively on behalf of Apple Ten), Apple Ten, Apple Hospitality and the Individual Defendants that, in exchange for the consideration set forth below, the Action shall be finally and fully settled, compromised, and dismissed, on the merits and with prejudice, and that the Released Claims shall be finally and fully compromised, settled, released, and dismissed with prejudice, upon and subject to the terms and conditions of the Stipulation, as follows:

A. Definitions

As used in the Stipulation, including any exhibits attached hereto and made a part hereof, the following terms have the meanings specified:

1. "Action" means the action captioned *Quinn v. Knight, et al.* 3:16cv610-JAG, filed in the Court.

2. "Apple Hospitality" means Apple Hospitality REIT, Inc. a Virginia corporation with its headquarters in Richmond, Virginia, and all of its predecessors and

successors, and all present and former parents, subsidiaries, divisions, and related or affiliated entities.

3. "Apple Ten Shareholders" means all shareholders of Apple REIT Ten, Inc. on September 1, 2016.

4. "Claims Administrator" means, subject to approval and appointment by the Court, Strategic Claims Services, which shall provide all settlement distribution notices approved by the Court to potential Settlement Members, and to administer the Settlement in accordance with the terms and conditions set forth in this Stipulation, the Plan of Distribution, and any orders of the Court.

5. "Court" means the United States District Court for the Eastern District of Virginia.

6. "Defendants" means the Individual Defendants, Apple Hospitality and Nominal Defendant Apple Ten.

7. "Defendants' Counsel" means any counsel that has appeared of record or rendered legal services to any of the Defendants in connection with the Action.

8. "Effective Date" means the first business day by which all of the events and conditions specified in paragraph V.J.1. of the Stipulation have been met and have occurred.

9. "Escrow Agent" means Huntington National Bank.

10. "Fee and Expense Application" means the application for fees and expenses submitted by Plaintiff's Counsel to the Court.

11. "Fee and Expense Award" means the award of fees and expenses to Plaintiff's Counsel approved by the Court.

12. "Final" means: (i) if an appeal or review is not sought from the Final Order and Judgment, the day following the expiration of the time to appeal or petition from the Final Order and Judgment; or (ii) if an appeal or review is sought from the Final Order and Judgment, the day after the mandate issues after such Final Order and Judgment is affirmed, or the appeal or review is dismissed or denied and such Final Order and Judgment is no longer subject to further judicial review. Any proceeding or order, or any appeal, pertaining solely to any application for attorneys' fees, costs, or pertaining solely to any Plan of Distribution, the distribution of the Net Settlement Fund, or any portion thereof shall not in any way delay or preclude the Final Order and Judgment from becoming Final.

13. "Final Order and Judgment" or "Judgment" means the judgment to be rendered by the Court dismissing the Action with prejudice, substantially in the form attached as Exhibit C.

14. "Gross Settlement Fund" means the Settlement Amount plus all interest earned thereon.

15. "Individual Defendants" means Glade M. Knight, Justin Knight, Kent W. Colton, R. Garnett Hall, Jr., David J. Adams, Anthony F. Keating III, David Buckley, Kristian Gathright, David McKenney and Bryan Peery.

16. "Net Settlement Fund" means the Gross Settlement Fund, less (i) any Fee and Expense Award to Plaintiff's Counsel; (ii) Case Contribution Award to Plaintiff; (iii) Notice and Administration Expenses; (iv) taxes; and (v) other fees and expenses authorized by the Court.

17. "Nominal Defendant" or "Apple Ten" means Apple REIT Ten, Inc., a Virginia corporation with its headquarters in Richmond, Virginia, and all of its predecessors and

successors, and all present and former parents, subsidiaries, divisions, and related or affiliated entities.

18. "Notice and Administration Expenses" means all costs, fees and expenses incurred by the Claims Administrator in connection with the dissemination of the Notice and in connection with the preparation, printing and mailing of the settlement distribution letter to the Settlement Members as set forth in Section V.H.1, and all expenses of Settlement administration, as well as any escrow-related fees; provided, however, that none of these expenses shall include Plaintiff's Counsel's Fee and Expense Award or Plaintiff's Case Contribution Award. All Notice and Administration Expenses shall be paid from the Gross Settlement Fund.

19. "Parties" means, collectively, each of the Individual Defendants, Apple Hospitality, Apple Ten, and Plaintiff, on behalf of himself and derivatively on behalf of Apple Ten.

20. "Person" or "Persons" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

21. "Plaintiff" means James Quinn.

22. "Plaintiff's Counsel" means any counsel that has appeared of record or rendered legal services to Plaintiff in connection with the Action.

23. "Plan of Distribution" means the proposed plan allocating the Net Settlement Fund set forth in Section V.H herein (as set forth in the Notice to be distributed to Apple Ten Shareholders in connection with the Settlement), or such other plan or formula

allocating the Net Settlement Fund as the Court shall approve, whereby the Net Settlement Fund shall be distributed to Settlement Members after payment of: (i) any Fee and Expense Award; (ii) any Case Contribution Award; (iii) Notice and Administration Expenses; and (iv) any taxes and tax expenses as described in paragraph V.E. below.

24. "Related Persons" means: (i) as to Apple Ten, Apple Ten's past or present directors, officers, managers, employees, partners, agents, underwriters, attorneys, accountants, auditors, banks, insurers, co-insurers, re-insurers, consultants, experts, successors, subsidiaries, divisions, joint ventures, assigns, general or limited partners or partnerships, limited liability companies, any entity in which Apple Ten has a controlling interest, and all officers, directors and employees of Apple Ten's current and former subsidiaries; (ii) as to the Individual Defendants, (1) each spouse, immediate family member, heir, executor, estate, administrator, agent, attorney, accountant, auditor, bank, insurer, co-insurer, re-insurer, advisor, consultant, expert, or affiliate of any of them, (2) any trust in respect of which any Individual Defendant, or any spouse or family member thereof serves as a settlor, beneficiary or trustee, and (3) any entity in which an Individual Defendant, or any spouse or immediate family member thereof, holds a controlling interest or for which an Individual Defendant has served as an employee, director, officer, managing director, advisor, general partner, limited partner, or member and any collective investment vehicle which is advised or managed by any of them; (iii) as to Apple Hospitality, Apple Hospitality's past or present directors, officers, managers, employees, partners, agents, underwriters, attorneys, accountants, auditors, banks, insurers, co-insurers, re-insurers, consultants, experts, successors, subsidiaries, divisions, joint ventures, assigns, general or limited partners or partnerships, limited liability companies, any entity in which Apple Hospitality has a controlling interest, and all officers, directors and employees of Apple

Hospitality's current and former subsidiaries; and (iv) as to Plaintiff, (1) his spouse, immediate family member, heir, executor, estate, administrator, agent, attorney, accountant, auditor, bank, insurer, co-insurer, re-insurer, advisor, consultant, expert, or affiliate of any of them, (2) any trust in respect of which the Plaintiff, his spouse or any family member thereof serves as a settlor, beneficiary or trustee, and (3) any entity in which Plaintiff, his spouse, or any immediate family member thereof, holds a controlling interest or for which Plaintiff has served as an employee, director, officer, managing director, advisor, general partner, limited partner, or member and any collective investment vehicle which is advised or managed by any of them.

25. "Released Claims" means and includes any and all claims, causes of action, debts, demands, rights or liabilities whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including both known claims and any Unknown Claims (defined below) that have been, or could have been asserted in the Action by Plaintiff, Apple Ten, or any Apple Ten Shareholder derivatively on behalf of Apple Ten against any of the Released Persons that are based upon or related to: (i) the allegations, transactions, facts, matters, or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint; and/or (ii) the settlement of the Action, including the payment provided for in this Stipulation, except claims to enforce any of the terms of this Stipulation.

26. "Released Persons" shall mean and include (i) each of the Individual Defendants; (ii) Apple Ten; (iii) any Apple Ten Shareholder, derivatively on behalf of Apple Ten; (iv) Apple Hospitality; and (v) each and all of their Related Persons.

27. "Settlement" means the settlement contemplated by this Stipulation.

28. "Settlement Amount" means the amount of $32,000,000.00 (Thirty-Two Million Dollars).

29. "Settlement Member(s)" mean any and all beneficial shareholders and shareholders of record of Apple Ten common shares as of September 1, 2016 including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns, or transferees, immediate and remote, and any Person acting for or on behalf of, or claiming under, any of them, and each of them. Excluded from the Settlement Members are Defendants, all current and former officers and directors of Apple Ten or any other Apple REIT entity (including any Apple REIT advisor) and any person, firm, trust, corporation, or other entity related to, or affiliated with the current and former directors and officers of Apple Ten or any other Apple REIT entity (including any Apple REIT advisor).

30. "Settlement Hearing" means the final hearing to be held by the Court to determine whether: (i) the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) all Released Claims should be dismissed with prejudice; (iii) an order approving the Settlement should be entered thereon; (iv) the distribution of the Net Settlement Fund should be approved; (v) the application for the Fee and Expense Award should be approved; and (vi) the Case Contribution Award should be approved.

31. "Unknown Claims" means any and all Released Claims that Plaintiff, Apple Ten or any Apple Ten Shareholder does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, including claims which, if known by him, her or it, might have affected his, her or its settlement with, and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiff,

Apple Ten, and its Shareholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code §1542, which provides:

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

Each of the Parties, upon the Effective Date, shall be deemed to have, and by operation of the Final Order and Judgment shall have, waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law that is similar, comparable, or equivalent to California Civil Code § 1542. Plaintiff, Apple Ten, and Apple Ten's Shareholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, Plaintiff and Apple Ten shall expressly settle and release, and each of the Apple Ten's Shareholders shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts.

32. "Authorized Claimant" means any Settlement Member (1) with a valid and verified mailing address; (2) that will receive a distribution check of at least $10.00; and (3)

that has agreed with Defendants' records on the number of Apple Ten common shares held as of September 1, 2016.

B. Scope and Effect of Settlement and Releases

1. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action and any and all Released Claims as against all Released Persons.

2. Upon the Effective Date, Apple Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten), and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten's shareholders) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Apple Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten) and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten's shareholders) shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect to such Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting the Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation and/or Judgment entered pursuant thereto.

3. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of Apple Ten, Plaintiff, Plaintiff's Related Persons and Plaintiff's Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Action or

the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

C. The Settlement

1. Subject to the terms of this Stipulation, Defendants shall deliver the Settlement Amount to an interest-bearing escrow account designated by Plaintiff's Counsel and managed by the Escrow Agent ("Escrow Account"), by wire transfer within twenty (20) business days after the entry of an order in the form attached hereto as Exhibit B (the "Preliminary Approval Order"). If the Settlement Amount is not delivered in accordance with this paragraph, Plaintiff's Counsel shall have the right, ten (10) business days after notifying Defendants' Counsel in writing, to terminate the Stipulation and the Settlement provided for herein or enforce the Stipulation by motion to the Court.

2. The Gross Settlement Fund, net of any taxes on the income thereof and any tax expenses, shall be used to pay: (i) any Fee and Expense Award; (ii) any Case Contribution Award to Plaintiff; (iii) Notice and Administration Expenses; (iv) taxes; and (v) other fees and expenses authorized by the Court. The balance of the Gross Settlement Fund remaining after the above payments shall be the Net Settlement Fund, which shall be distributed to the Authorized Claimants in accordance with this Stipulation and the Plan of Distribution.

3. In the event that the Stipulation is not approved, or is terminated or cancelled, or the Effective Date does not occur for any reason, the Escrow Agent shall make a refund as set forth in paragraph V.K.3. below.

D. The Escrow Agent

1. The Escrow Agent shall invest any part of the Gross Settlement Fund that has been deposited into the Escrow Account in instruments backed by the full faith and credit of

the United States Government or fully insured by the United States Government or an agency thereof, including U.S. Treasury Bills, U.S. Treasury Money Market Fund or a bank account insured by the Federal Deposit Insurance Corporation ("FDIC") up to the guaranteed FDIC limit, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. All risks related to the investment of the Gross Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Gross Settlement Fund.

2. Before the Effective Date, the Escrow Agent shall not disburse any portion of the Gross Settlement Fund except as provided in the Stipulation, or with the written agreement of Defendants' Counsel and Plaintiff's Counsel, or pursuant to an order of the Court.

3. Subject to such further orders or directions as may be made by the Court, after the Effective Date, the Escrow Agent is authorized to execute such transactions on behalf of the Plaintiff and the Settlement Members as are consistent with the terms of the Stipulation and the Plan of Distribution.

4. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed or returned under this Stipulation or further order of the Court. Other than amounts disbursed for providing notice to the Settlement Members and Apple Ten shareholders, customary administration costs, and taxes and tax expenses, the Gross Settlement Fund shall not be distributed until the Effective Date.

5. After the Effective Date, Defendants shall have no interest in the Gross Settlement Fund or in the Net Settlement Fund. After the Effective Date, none of the Gross Settlement Fund shall be returned to Defendants.

6. Defendants and the other Released Persons shall not be liable for the loss of any portion of the Gross Settlement Fund or the Net Settlement Fund, nor have any liability, obligation, or responsibility for the payment of claims, taxes, legal fees, or any other expenses payable from the Gross Settlement Fund or the Net Settlement Fund.

E. Tax Treatment

1. The Parties and the Claims Administrator agree to treat the Gross Settlement Funds as being at all times as "qualified settlement funds" within the meaning of Treas. Reg. Section 1.468B-l. In addition, the Claims Administrator and, as required, the Parties shall jointly and timely make such elections as necessary or advisable to carry out the provisions of this paragraph, including the "relation-back election" (as defined in Treas. Reg. Section 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereunder to cause the appropriate filing to occur.

2. For purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Claims Administrator. The Claims Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Gross Settlement Fund (including without limitation the returns described in Treas. Reg. Section 1.468B-2(k)). Such returns (as well as the election described in paragraph V.E.1.) shall be consistent with this paragraph and in all events shall reflect that all taxes (including any interest or penalties) on the income earned by the Gross Settlement Fund shall be paid out of the Gross Settlement Fund.

3. All (i) taxes (including any interest or penalties) arising with respect to the income earned by the Gross Settlement Fund, including any taxes or tax expenses that may be imposed upon the Released Persons with respect to any income earned by the Gross Settlement Fund for any period during which the Gross Settlement Fund does not qualify as a "qualified settlement fund" for Federal or state income tax purposes ("Taxes"); and (ii) expenses and costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, expenses of tax attorneys or accountants, mailing and distribution costs, and expenses relating to filing (or failing to file) the returns described in this paragraph) ("Tax Expenses"), shall be paid out of the Gross Settlement Fund; in all events the Released Persons shall have no liability or responsibility for the Taxes or the Tax Expenses.

4. The Claims Administrator shall indemnify and hold the Released Persons harmless for Taxes and Tax Expenses (including, without limitation, taxes payable by reason of any such indemnification). In the event that any income earned by the Gross Settlement Fund is under applicable Federal or state tax law (as reasonably determined by the Released Persons) includible in the taxable income of any of the Released Persons, the amount of indemnification due hereunder shall be equal to the product of: (i) the amount of such income inclusion (increased by any additional amounts includible in income as a result of this indemnification); and (ii) as to the any of the Released Persons deemed subject to taxation, the tax rate (before credits) applicable on ordinary taxable income before net operating loss carryovers for any of the Released Persons for the taxable year in which indemnification hereunder becomes due and payable.

5. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid by the Claims Administrator out of the

Gross Settlement Fund without prior order from the Court, and the Claims Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Settlement Members any funds necessary to pay such amounts including the establishment of adequate reserves for any such contingent Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. Section l.468B-2(l)(2)), the Released Persons are not responsible and shall have no liability therefor. The Parties agree to cooperate with the Claims Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

F. Notice and Administration Expenses

1. The Notice and Administration Expenses shall be paid from the Gross Settlement Fund. In no event shall Defendants or the Released Persons pay an amount more than the Settlement Amount under this Stipulation.

G. Submission of the Settlement to the Court for Approval

1. After execution of this Stipulation, Plaintiff shall submit the Stipulation together with its exhibits to the Court and shall move for the entry of an order substantially in the form of the Preliminary Approval Order (attached as Exhibit B hereto), and shall request that the Court approve the form of notice, substantially in the form attached hereto as Exhibits A (the "Notice"), which shall include the general terms of the Settlement set forth in the Stipulation and the date of the Settlement Hearing as described below.

2. Within twenty (20) days following the Court's entry of the Preliminary Approval Order, Plaintiff's Counsel, through the Claims Administrator, shall cause the Notice to be sent by first class mail to all Apple Ten Shareholders. Before mailing the Notice as provided above, the Claims Administrator will update addresses of Settlement Members by: (1) using the

National Change of Address Databank maintained by the United States Postal Service to update the mailing addresses who appear in Defendants records; and (2) performing a skip-tracing of each Settlement Member using a commonly used skip-tracing firm (Experian) to further verify or update addresses. In addition, Defendants shall reasonably cooperate with the Claims Administrator in developing the list of Settlement Members, including but not limited to assisting with obtaining such list from Apple Ten's exclusive brokerage firm, David Lerner Associates, Inc. For any Notice mailing that is returned to the Claims Administrator with a forwarding address, the Claims Administrator shall forward the Notice to that address. For any Notice mailing that is returned to the Claims Administrator without a forwarding address, the Claims Administrator shall conduct a second skip-tracing with another commonly used skip-tracing firm (TransUnion or LexisNexis) as a final attempt to obtain updated addresses for Settlement Members. If a Notice is returned as undeliverable a second time, and Plaintiff's Counsel and the Claims Administrator determine, after performing a diligent search, that no further updated addresses search is warranted, these Settlement Members with invalid addresses will not receive a distribution check. The Claims Administrator will also post the Notice and the Stipulation of Settlement on its website at: www.strategicclaims.net/AppleReitTen.

3. Plaintiff will also request that the Court set a date to hold a hearing in the Action (the "Settlement Hearing") to consider and determine whether the Final Order and Judgment, substantially in the form of Exhibit C hereto, should be entered: (a) approving the terms of the Settlement as fair, reasonable and adequate; and (b) dismissing with prejudice the Action against the Defendants.

4. Pending the Effective Date, all proceedings and discovery in the Action shall be stayed except as otherwise provided herein, and the Parties shall not file or prosecute any other actions or proceedings relating to the Settlement.

H. Administration and Calculation of Claims and Supervision and Distribution of the Net Settlement Fund

1. After entry of the Final Order and Judgment, the Claims Administrator will mail within ten (10) business days a letter to each Settlement Member with a valid address detailing his or her number of Apple Ten common shares held as of September 1, 2016 as provided by Defendants. This letter will also include the estimated payment amount for each Settlement Member as calculated by Plaintiff's Counsel and the Claims Administrator based on the approved Plan of Distribution. Settlement Members will have sixty (60) days to contact the Claims Administrator if there is disagreement on the number of Apple Ten common shares held as of September 1, 2016. Discrepancies, if any, will be reviewed and resolved by Plaintiff's Counsel and the Claims Administrator.

2. **Proposed Plan of Distribution.** Each Authorized Claimant's proportionate share of the Net Settlement Fund shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant's number of Apple Ten common shares held as of September 1, 2016 bears to the total number of Apple Ten common shares held as of September 1, 2016 by all Authorized Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants.

3. Once all discrepancies, if any, are resolved, the Claims Administrator will calculate each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on the approved Plan of Distribution.

4. Any Authorized Claimant who does not cash his or her distribution check within sixty (60) days of issuance will, at a minimum, be sent a reminder notice to either cash his or her distribution check or request the Claims Administrator to re-issue another check.

5. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants; (ii) second, to pay any additional Notice and Administration Expenses incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least $10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds shall remain in the Net Settlement Fund after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Settlement Fund shall be donated to a non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Plaintiff's Counsel.

6. Plaintiff's Counsel, or their authorized agents (including the Claims Administrator), acting on behalf of the Settlement Members and Apple Ten Shareholders, and subject to the terms of the Stipulation and Plan of Distribution, and such supervision and

direction by the Court as may be necessary or required by the circumstances, shall administer and calculate the amount of the Net Settlement Fund due to the Settlement Members and, after the Effective Date, shall oversee distribution of the Net Settlement Fund to the Authorized Claimants.

7. After the occurrence of the Effective Date and in accordance with the terms of the Stipulation, the Plan of Distribution, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the Plan of Distribution set forth in the Notice, or such other plan or formula for allocating the Net Settlement Fund as approved by the Court. Distribution checks will be void after one hundred and twenty (120) days after issuance. The minimum distribution check amount to Authorized Claimants will be $10.00.

I. Attorneys' Fees and Expenses

1. Plaintiff's Counsel may submit a Fee and Expense Application for an award of attorneys' fees in the amount up to one-third (1/3) of the Settlement Amount plus reimbursement of expenses, and Defendants will not oppose or object to the Fee and Expense Application. The Fee and Expense Award approved by the Court shall be paid out of the Gross Settlement Fund within five (5) days after final approval of the Settlement by the Court.

2. In light of the substantial benefit Plaintiff has helped to create for Apple Ten and its shareholders, Plaintiff may apply for a Court-approved case contribution award in the amount of $15,000 (the "Case Contribution Award"). The Case Contribution Award shall be funded from the Gross Settlement Fund, to the extent that this settlement is approved in whole or part. Defendants shall not oppose the Case Contribution Award.

3. In the event that the order making the Fee and Expense Award is reversed or modified on appeal, then Plaintiff's Counsel shall within ten (10) business days from receiving notice from Defendants' Counsel, or from a court of appropriate jurisdiction, transfer to the Escrow Account the Fee and Expense Award if paid, in an amount consistent with such reversal or modification.

4. The procedure for and the allowance or disallowance by the Court of the Fee and Expense Award is not part of the Settlement set forth in this Stipulation, and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation. Any order or proceedings relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to modify, terminate, or cancel the Stipulation, or affect or delay the finality of the Final Order and Judgment approving the Stipulation and the Settlement of the Action; provide any grounds or otherwise permit Plaintiff or Plaintiff's Counsel to cancel, terminate, or withdraw from the Stipulation or the Settlement; or affect or delay the validity of the Settlement.

J. Conditions of Settlement

1. The Effective Date of the Stipulation shall be the first day by which all of the following events shall have occurred:

a. The Court has entered the Preliminary Approval Order, as required by paragraph V.G. above;

b. The Court has entered the Final Order and Judgment, or a judgment substantially in the form of Exhibit C;

c. The Judgment in the Action has become Final; and

d. The Settlement Amount shall have been paid in accordance with section V.C. above.

2. Upon occurrence of ALL of the events referenced in paragraph V.J.1. above, the obligation of the Claims Administrator to return funds from the Gross Settlement Fund to Defendants pursuant to paragraph V.C.3. or any other provision hereof shall be absolutely and forever extinguished.

K. Rights and Effects of Termination

1. The Parties shall each have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other counsel for the Parties within thirty (30) days after the date on which any of the following occurs:

a. the Court issues an order declining to enter the Scheduling Order in any material respect;

b. the Court issues an order declining to approve the Settlement set forth in this Stipulation in any material respect;

c. the Court declines to enter the Final Order and Judgment in all material respects as required by paragraph V.J. above;

d. the Final Order and Judgment is modified or reversed in any material respect by a reviewing court; or

e. in the event that the Court enters a final order and judgment in a form other than that provided above (an "Alternative Judgment") and none of the Parties elects to terminate this Settlement, such Alternative Judgment is modified or reversed in any material respect by a reviewing court.

2. Neither a modification nor reversal on appeal of: (i) any Fee and Expense Award by the Court to Plaintiff's Counsel from the Gross Settlement Fund; (ii) any Case Contribution Award to Plaintiff; or (iii) the Plan of Distribution shall constitute grounds for cancellation and termination of this Stipulation.

3. In the event the Settlement or this Stipulation shall terminate, or be cancelled, or the Effective Date does not occur for any reason, within ten (10) business days after written notification of such event is sent by Defendants' Counsel or Plaintiff's Counsel to the Escrow Agent, any part of the Gross Settlement Fund (including accrued interest) that has been deposited in the Escrow Account, less expenses and any Notice and Administration Expenses that have either been disbursed pursuant to paragraph V.H. hereto, or are determined to be chargeable as Notice and Administration Expenses, shall be refunded by the Escrow Agent to Defendants. In such event Defendants shall be entitled to any tax refund owing to the Gross Settlement Fund. At the request of Defendants' Counsel, the Claims Administrator or his or her designee shall apply for any such refund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, to Defendants. Plaintiff, Plaintiff's Counsel, the Settlement Members, the Claims Administrator and the Escrow Agent shall not be responsible for the allocation or distribution of any funds refunded pursuant to this paragraph.

4. If for any reason the Effective Date does not occur, or if this Stipulation shall terminate, or be cancelled, or otherwise fail to become effective for any reason, including, without limitation, in the event that the Stipulation or settlement as described herein is not approved by the Court or the Final Order or Judgment is reversed or vacated following any appeal taken therefrom, or the Settlement is terminated for any reason, the Parties shall be

restored to their respective positions as of the date of the execution of this Stipulation, and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission by any Party of any act, matter, or proposition and shall not be used in any manner for any purpose (other than to enforce the terms remaining in effect) in any subsequent proceeding in the Action or in any other action or proceeding. In such event, the terms of the Stipulation shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and any judgment or orders entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

L. Miscellaneous

1. The Parties (a) acknowledge that it is their intent to consummate this agreement; (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation; and (c) agree to exercise their best efforts and to accomplish the foregoing terms and conditions of the Stipulation.

2. Neither the Stipulation nor any act performed or document executed pursuant to or in furtherance of the Stipulation: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim or of any wrongdoing or liability of Defendants; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal, other than in such proceedings as may be necessary to consummate or enforce the Stipulation or the Final Order and Judgment, except that Defendants may file the Stipulation and Final Order and Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of

res judicata, collateral estoppel, release, good faith settlement, judgment ban or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. Defendants have denied and continue to deny each and all of the claims alleged in the Action.

3. The Parties and their counsel, and each of them, agree, to the extent permitted by law, that all agreements made before and during the course of the Action relating to the confidentiality of information shall survive the Settlement.

4. All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

5. The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

6. This is a fully integrated agreement. The Stipulation and the Exhibits attached hereto constitute the entire agreement among the Parties hereto and no representations, warranties, or inducements have been made to any party concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.

7. Each party has cooperated in the drafting and preparation of the Stipulation. Consequently, any interpretation of the Stipulation shall not be construed against any Party on the basis that such party was the drafter.

8. Plaintiff's Counsel, on behalf of Plaintiff, is expressly authorized to take all appropriate action required or permitted to be taken by Plaintiff pursuant to this Stipulation to effectuate its terms.

9. Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any Party hereto hereby warrants that such Person has the full authority to do so.

10. Except as otherwise provided herein, each Party shall bear its own costs. Plaintiff's Counsel's Fee and Expense Award, subject to Court approval, shall be paid only out of the Gross Settlement Fund, and Defendants and the other Released Persons shall have no obligation with respect to the payment of said Fee and Expense Award.

11. The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

12. This Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, heirs, executors, administrators, transferees, successors, and assigns of all such foregoing Persons and upon any corporation, partnership or other entity into or with which any party may merge, consolidate, or reorganize.

13. Without affecting the Settlement being Final, the Court shall retain jurisdiction over the implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the exclusive jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

14. This Stipulation and the Exhibits attached hereto, and all disputes arising out of or relating thereto, whether in contract, tort, or otherwise, shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws.

15. The Parties agree that any dispute arising out of or relating in any way to this Stipulation and the Exhibits hereto (i) shall be brought, heard, and determined exclusively in the Court; and (ii) shall not be litigated or otherwise pursued in any other forum or venue.

IN WITNESS WHEREOF, the Parties intending to be legally bound, have caused this Stipulation to be executed and delivered by their duly authorized attorneys.

Dated this 28th day of November, 2016.

MCGUIREWOODS LLP

Elizabeth Edwards By/RW w/permission

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Attorneys for Defendants Apple Hospitality REIT, Inc., Justin Knight, Bryan Peery, David McKenney, Kristian Gathright, and David Buckley

Exhibit "A"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

JAMES QUINN, Derivatively on Behalf of Nominal Defendant APPLE REIT TEN, INC., Plaintiff, v. GLADE M. KNIGHT, JUSTIN KNIGHT, KENT W. COLTON, R. GARNETT HALL, JR., DAVID J. ADAMS, ANTHONY F. KEATING III, DAVID BUCKLEY, KRISTIAN GATHRIGHT, DAVID MCKENNEY, BRYAN PEERY, and APPLE HOSPITALITY REIT, INC., Defendants, and APPLE REIT TEN, INC., Nominal Defendant.	Case No. 3:16-cv-00610-JAG

NOTICE OF PENDENCY AND SETTLEMENT OF DERIVATIVE ACTION

TO: ALL FORMER BENEFICIAL SHAREHOLDERS AND SHAREHOLDERS OF RECORD OF APPLE REIT TEN, INC. ("APPLE TEN" OR THE "COMPANY") COMMON SHARES AS OF SEPTEMBER 1, 2016 ("APPLE TEN SHAREHOLDERS").

THIS NOTICE WAS SENT TO YOU BY ORDER OF THE COURT. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THIS DERIVATIVE ACTION. IF YOU ARE AN APPLE TEN SHAREHOLDER, YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION, AND THIS NOTICE CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT DESCRIBED BELOW.

IF YOU HELD COMMON SHARES OF APPLE TEN FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO THE BENEFICIAL OWNER.

This Notice is not a lawsuit against you. You are not being sued. You have received this Notice because you may be a member of the settlement described in this Notice.

I. WHY AM I RECEIVING THIS NOTICE

This Notice of Pendency and Settlement of Derivative Action (the "Notice") is given pursuant to an order of the United States District Court for the Eastern District of Virginia, Richmond Division (the "Court") entered in the above-captioned action (the "Action") on ______________, 2016 (the "Preliminary Approval Order"). The terms and conditions of the settlement (the "Settlement") are embodied in a Stipulation of Settlement (the "Stipulation") entered into on November 28, 2016 by and between: (i) James Quinn (the "Plaintiff"), on behalf of himself and derivatively on behalf of Nominal Defendant Apple Ten, by and through his counsel of record ("Plaintiff's Counsel"), and (ii) Defendants Glade Knight, Justin Knight, Kent Colton, R. Garnett Hall, David Adams, Anthony Keating, David Buckley, Kristian Gathright, David McKenney, Bryan Peery (collectively, the "Individual Defendants"), Apple Hospitality REIT, Inc. ("Apple Hospitality"), and Apple Ten, by and through their counsel of record (together with the Individual Defendants, the "Defendants" and together with the Plaintiff, the "Parties"). A link to this Notice and Stipulation may be found at www.strategicclaims.net/AppleReitTen.

On ____________________, 2017 at ____ _.m. the Court will hold a hearing (the "Settlement Hearing"), located at 701 East Broad Street, Richmond, VA 23219 to: (i) determine whether the Court should grant final approval of the proposed Settlement on the terms and conditions provided for in the Stipulation as fair, reasonable and adequate; (ii) determine whether judgment should be entered pursuant to the Stipulation, *inter alia*, dismissing the Action with prejudice; (iii) consider Plaintiff's Counsel's application for an award of attorneys' fees and expenses (the "Fee and Expense Application"); (iv) consider Plaintiff's application for a Case

Contribution Award (defined below); and (v) hear and determine other matters relating to the proposed Settlement.

This Notice describes the rights that you may have pursuant to the Settlement and what steps you may take, but are not required to take, in relation to the Settlement.

If the Court approves the Settlement, the Parties will ask the Court at the Settlement Hearing to enter a final order and judgment dismissing the Action with prejudice on the merits as to all Defendants and releasing claims in accordance with the terms of the Stipulation (the "Final Order and Judgment").

The Court has reserved the right to adjourn the Settlement Hearing, or any portion thereof, without further notice to Apple Ten Shareholders other than by announcement at the Settlement Hearing or any adjournment thereof. The Court has further reserved the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice to Apple Ten Shareholders.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON THE STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. HISTORY AND BACKGROUND OF THE LITIGATION AND SETTLEMENT

On April 14, 2016, Apple Ten announced that it had entered into an agreement and plan of merger (the "Merger Agreement") with Apple Hospitality, pursuant to which Apple Ten would merge into a wholly-owned subsidiary of Apple Hospitality (the "Merger"). On June 22, 2016, Plaintiff James Quinn, an Apple Ten shareholder, served the Board of Directors of Apple Ten (the "Board") with a letter pursuant to Va. Code § 13.1–672.1(B) demanding that the Board take action to remedy alleged breaches of fiduciary duty and other violations of law by the directors and officers of Apple Ten in connection with the Merger.

Shortly thereafter, on July 19, 2016, Plaintiff filed with the Court a Verified Shareholder Derivative Complaint (the "Complaint"). The Complaint asserted derivative claims for: (1) breach of fiduciary duty of loyalty and good faith against Glade Knight, Kent Colton, David Adams, R. Garnett Hall, and Anthony Keating (the "Director Defendants"); and (2) aiding and abetting breaches of fiduciary duty against Justin Knight, David Buckley, Bryan Peery, Kristian Gathright, and David McKenney (the "Executive Defendants").

On July 21, 2016, Plaintiff filed a Motion for Expedited Proceedings and Memorandum in Support thereof seeking to obtain discovery on an expedited basis in advance of Plaintiff's then-forthcoming motion for a preliminary injunction (the "P.I. Motion") to enjoin the special meeting of Apple Ten shareholders scheduled for August 31, 2016. Concurrently, on July 21, 2016, Plaintiff served his First Request for Production of Documents on Defendants seeking, *inter alia*, certain documents and information relating to the Merger. During the next several days, Plaintiff's Counsel and counsel for Defendants met and conferred multiple times and worked diligently toward an agreement on the discovery that would be taken on an expedited timeframe, including the production of documents and depositions to be taken in advance of the filing of Plaintiff's P.I. Motion.

As a result of those discussions, on July 27, 2016, Defendants began a rolling production of documents to Plaintiff, and Plaintiff's Counsel took the depositions of: (1) Kent Colton on August 8, 2016 in Tysons Corner, Virginia; (2) Glade Knight on August 9, 2016 in Richmond, Virginia; and (3) Justin Knight on August 12, 2016 in Richmond, Virginia. In addition, on July 26, 2016, Plaintiff served Citigroup Global Markets, Inc. ("Citi"), Apple Ten's financial advisor, with a subpoena *duces tecum* and *ad testificandum* and, after extensive discussions with Citi's counsel, Citi produced responsive documents on a rolling basis beginning on August 7, 2016.

On August 11, 2016 Plaintiff's Counsel took the deposition of Jens Thomas Jung, a representative of Citi, in New York City, New York. In total, Defendants and Citi produced, and Plaintiff's Counsel reviewed, over 84,000 pages of confidential, non-public documents in advance of filing the P.I. Motion.

While Plaintiff was negotiating and conducting discovery on an expedited basis, on July 25, 2016, the Court ordered the Parties to attend a settlement conference with the Honorable Magistrate Judge David J. Novak ("Judge Novak"), and a mediation was scheduled for August 4, 2016. In advance of the mediation, on July 28, 2016, Plaintiff sent to Judge Novak his confidential mediation statement, and, on the next day, supplemented his mediation statement with additional information and analysis performed by Plaintiff's damages expert. On August 4, 2016, a settlement conference was held with Judge Novak, attended by Plaintiff, Plaintiff's Counsel and counsel for Defendants. No resolution was reached at its conclusion.

The day after the mediation, August 5, 2016, the Court held a teleconference to hear argument on Plaintiff's Motion for Expedited Proceedings as the Parties were unable to reach an agreement on a hearing date or briefing schedule for Plaintiff's P.I. Motion. After the conference, the Court issued an order setting the briefing schedule and a hearing date of August 26, 2016 for Plaintiff's P.I. Motion. On that same day, Defendants filed a Motion to Dismiss Pursuant to Federal Rule of Civil Procedure 23.1, and, concurrently therewith, filed a Motion to Expedite the briefing schedule on their Motion to Dismiss. Three days later, on August 8, 2016, Defendants filed a Motion to Compel Discovery, demanding that Plaintiff make himself available for a deposition no later than August 12, 2016. The Court denied Defendants' Motion to Expedite and ordered the Parties to agree upon a date for Plaintiff's deposition. As a result of those discussions, on August 19, 2016, Defendants took the deposition of Plaintiff James Quinn in Washington, D.C.

On August 13, 2016, Plaintiff filed his P.I. Motion, Memorandum in Support and the Declaration of Garrett Wilson. The Parties fully briefed the P.I. Motion, with Defendants filing their opposition brief on August 20, 2016, and Plaintiff filing his reply brief on August 24, 2016. In addition, the Parties fully briefed Defendant's Motion to Dismiss Pursuant to FRCP 23.1 in advance of the preliminary injunction hearing with Plaintiff filing his opposition brief on August 19, 2016 and Defendants filing their reply brief on August 24, 2016.

On August 26, 2016, the Court held a hearing on Plaintiff's P.I. Motion. After hearing argument and testimony, the Court entered an order denying the P.I. Motion and ordering a conference call to be held on August 31, 2016 to set a trial date and schedule. On August 30, 2016, counsel for Plaintiff and Defendants met and conferred on a proposed trial schedule. On August 31, 2016, the Court held a teleconference with the Parties and entered the Initial Pretrial Order and scheduled a trial to begin on November 14, 2016.

Throughout the month of September through early October 2016, the Parties engaged in extensive discovery. For example, on September 1, 2016, Plaintiff served interrogatories and a second request for production of documents on various Defendants and served subpoenas *duces tecum* and *ad testificandum* on Robert W. Baird & Co., David Lerner Associates, Inc., and Wells Fargo Securities, LLC ("Wells Fargo"). On September 2, 2016, certain Defendants served interrogatories, document requests, and requests for admission on Plaintiff. After Defendants and Plaintiff served their respective discovery responses, the Parties engaged in multiple meet and confer sessions which resulted in the Parties serving supplemental discovery responses and Defendants produced additional documents which had been withheld on various grounds. On

September 9, 2016, Defendants filed their Answers to the Complaint. During fact discovery, Plaintiff's Counsel took the depositions of: (1) Defendant Garnett Hall, Jr. on September 23, 2016 in Richmond, Virginia; (2) Defendant David Adams on September 28, 2016 in Richmond, Virginia; (3) Glenn W. Bunting on October 11, 2016 in Richmond, Virginia; (4) Defendant Bryan Peery on October 12, 2016, in Richmond, Virginia; and (5) David Kieske, a representative of Apple Hospitality's financial advisor, Wells Fargo, on October 12, 2016, in New York City, New York. On September 23, 2016, Plaintiff made a production of documents to Defendants in response to their discovery requests. Pursuant to the Court's Initial Pretrial Order, fact discovery closed on October 11, 2016. In total, Defendants and third parties produced (and Plaintiff's Counsel reviewed) over 14,398 documents, totaling over 154,324 pages.

During October 2016, the Parties engaged in extensive expert discovery. For example, on October 4, 2016, Plaintiff served on Defendants the expert report of Guhan Subramanian, and on October 10, 2016, Defendants' Counsel took his deposition in Boston, Massachusetts. On October 14, 2016, Plaintiff served on Defendants the expert report of Chad Coffman, and Defendants' Counsel took his deposition on October 20, 2016 in Radnor, Pennsylvania. Also on October 14, 2016, Defendants served on Plaintiff the expert report of William Rakes, and Plaintiff's Counsel took his deposition on October 19, 2016 in Roanoke, Virginia. Last, on October 18, 2016, Defendants served on Plaintiff the rebuttal expert report of James Gavin, and Plaintiff's Counsel took his deposition on October 21, 2016 in Washington, D.C.

While the Parties were conducting fact and expert discovery, they filed and briefed several motions. For example, on September 7, 2016, Apple Ten and the Director Defendants filed a Motion to Dismiss for Lack of Standing and Failure to State a Claim and Memorandum in Support thereof. Also on September 7, 2016, Apple Hospitality and the Executive Defendants filed a Motion to Dismiss for Failure to State a Claim and Memorandum in Support thereof. On September 21, 2016, Plaintiff filed an Omnibus Memorandum of Law in Opposition to Defendants' Motions to Dismiss for failure to state a claim. On September 26, 2016, Apple Ten and the Director Defendants filed a Reply in Support of their Motion to Dismiss for Lack of Standing and Failure to State a Claim. Also on September 26, 2016, Apple Hospitality and the Executive Defendants filed a Reply Memorandum in Support of their Motion to Dismiss for Failure to State a Claim. On October 14, 2016, the Court entered an Order denying all three of Defendants' Motions to Dismiss and, on November 1, 2016, the Court issued its opinion denying Defendants' three Motions to Dismiss.

In addition, on October, 14, 2016, Plaintiff filed a Motion for Leave to File an Amended Complaint and a Memorandum in Support thereof and attached thereto a Proposed Amended Complaint, which added a derivative claim for violation of Virginia Code § 13.1-691. After meeting and conferring with Defendants on that motion, on October 19, 2016, Plaintiff withdrew his Motion for Leave to File an Amended Complaint and filed a new Motion for Leave to File an Amended Complaint and a Memorandum in Support. On October 20, 2016, the Court issued an order directing Defendants to respond to Plaintiff's Motion for Leave to File an Amended Complaint no later than October 24, 2016 which Defendants filed on that day. On October 25, 2016, Plaintiff filed a Reply Memorandum in Further Support of his Motion for Leave to Amend the Complaint. On October 26, 2016, the Court entered an order denying Plaintiff's Motion for Leave to Amend Complaint.

During mid-October, the Parties began to meet and confer about documents Defendants withheld on the basis of attorney-client privilege as described on Apple Ten and Apple Hospitality's respective privilege logs. On October 28, 2016, after failing to reach a resolution, Plaintiff filed a Motion to Compel the Production of Documents Improperly Withheld under Attorney-Client Privilege and Supporting Documents along with an under seal Memorandum of Law in Support. Concurrently therewith, Plaintiff filed a Motion for Expedited Proceedings Concerning Plaintiff's Motion to Compel. On November 1, 2016, the Court requested that Defendants provide copies to the Court of the documents subject to Plaintiff's Motion to Compel for *in camera* review and set a hearing for November 2, 2016. On November 2, 2016, the Court held a hearing on Plaintiff's Motion to Compel and, at its conclusion, ordered Defendants to submit any written response(s) by the next day, November 3, 2016.

On October 28, 2016, all motions for summary judgment and motions *in limine* were due pursuant to the Court's Initial Pretrial Order. Both the Director Defendants and the Executive Defendants (the latter joined by Apple Hospitality) filed separate Motions for Summary Judgment and Memoranda of Law in Support. Defendants also filed a Motion in Limine and Memorandum in Support to prevent Plaintiff from offering evidence or argument at trial regarding: (1) director fees paid to any Defendant by Apple Ten or any other Glade Knight-founded or controlled entity; (2) prior litigation and investigations involving Defendants, including *DCG&T v. Knight*, 3:13-cv-0067-JAG (E.D. Va.) and the Securities and Exchange Commission's ("SEC") February 12, 2014 Order Instituting Cease-and-Desist Proceedings, as well as the investigation leading up to that order; (3) compensation paid to Glade Knight in connection with prior mergers or acquisitions of Apple entities and other business endeavors that are unrelated to the merger of Apple Ten and Apple Hospitality; (4) facts or circumstances that go beyond "the procedural indicia whether the directors reported in good faith to an informed decision-making process"; (5) McGuireWoods' representation of Apple Ten and other Apple entities prior to the firm's engagement by the Special Committee in connection with the Merger;

and (6) the existence of insurance and indemnification obligations that might be called upon to fund or finance any judgment against the Defendants. On October 28, 2016, Defendants also filed Motions and Memoranda to Exclude the Testimony and Opinions of Plaintiff's expert witnesses Chad W. Coffman and Guhan Subramanian.

Also on October 28, 2016, Plaintiff filed two Motions in Limine and Memoranda in Support to prevent Defendants from offering evidence or argument at trial regarding: (1) Plaintiff's standing, adequacy, and ownership of Apple Hospitality stock; and (2) the SEC's endorsement or approval of the proxy statements in connection with the Merger. Plaintiff also filed a Motion and Memorandum in Support to Exclude the Testimony and Opinions of Defendants' expert witness William R. Rakes.

On October 31, 2016, Plaintiff filed with the Court a copy of his witness list and his initial exhibit list. On that same day, the Parties met and conferred regarding a stipulation of uncontested facts and Plaintiff's Counsel provided Defendants with a draft stipulation of facts for Defendants to review in advance thereof.

On November 2, 2016, the Parties participated in an all-day mediation session with Judge Novak. In advance of the mediation, on October 26, 2016, the Parties submitted supplemental mediation statements to Judge Novak. At the conclusion of the mediation session, Judge Novak made a proposal to resolve the Action, which the Parties separately accepted and executed a Memorandum of Understanding memorializing the material terms of settlement, subject to the negotiation and execution of the settlement documents.

III. THE PROPOSED SETTLEMENT

In consideration for the Settlement and dismissal with prejudice of the Action and the releases provided herein, Defendants shall pay $32,000,000.00 (Thirty-Two Million Dollars) (the "Settlement Amount") for the benefit of the Settlement Members as provided in the Stipulation.

Excluded from the Settlement Members are Defendants, all current and former officers and directors of Apple Ten or any other Apple REIT entity (including any Apple REIT advisor) and any person, firm, trust, corporation, or other entity related to, or affiliated with the current and former directors and officers of Apple Ten or any other Apple REIT entity (including any Apple REIT advisor). The Parties agree that the Settlement confers substantial benefits upon Apple Ten and Apple Ten's shareholders and that the Settlement is in the best interests of Apple Ten.

A. How Much Am I Going to Get?

At this time it is still premature to determine the exact amount that each Settlement Member will receive as a result of the Settlement. However, the amount will be determined as follows:

1. After entry of the Final Order and Judgment, the entity approved by the Court to administer the Settlement (the "Claims Administrator") will mail within ten (10) business days a letter to each Settlement Member with a valid address detailing his or her number of Apple Ten common shares held as of September 1, 2016 as provided by Defendants. This letter will also include the estimated payment amount for each Settlement Member as calculated by Plaintiff's Counsel and the Claims Administrator based on the approved Plan of Distribution. Settlement Members will have sixty (60) days to contact the Claims Administrator if there is disagreement on the number of Apple Ten common shares held as of September 1, 2016. Discrepancies, if any, will be reviewed and resolved by Plaintiff's Counsel and the Claims Administrator.

2. **Proposed Plan of Distribution.** Authorized Claimants shall be paid proportionate shares of the Settlement Amount (plus any interest earned thereon) after removal of (i) any Fee and Expense Award to Plaintiff's Counsel; (ii) any Case Contribution Award to Plaintiff (iii) certain costs associated with the administration of the Settlement ("Notice and Administration Expenses"); (iv) taxes; and (v) other fees and expenses authorized by the Court

(the "Net Settlement Fund"). Each Authorized Claimant's proportionate share of the Net Settlement Fund shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant's number of Apple Ten common shares held as of September 1, 2016 bears to the total number of Apple Ten common shares held as of September 1, 2016 by all Authorized Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants.

3. Once all discrepancies, if any, are resolved, the Claims Administrator will calculate each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on the approved Plan of Distribution.

4. Any Authorized Claimant who does not cash his or her distribution check within sixty (60) days of issuance will, at a minimum, be sent a reminder notice to either cash his or her distribution check or request the Claims Administrator to re-issue another check.

5. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants; (ii) second, to pay any additional Notice and Administration Expenses incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least $10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If

six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds shall remain in the Net Settlement Fund after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Settlement Fund shall be donated to a non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Plaintiff's Counsel.

6. Plaintiff's Counsel, or their authorized agents (including the Claims Administrator), acting on behalf of the Settlement Members and Apple Ten Shareholders, and subject to the terms of the Stipulation and Plan of Distribution, and such supervision and direction by the Court as may be necessary or required by the circumstances, shall administer and calculate the amount of the Net Settlement Fund due to the Settlement Members and, after the Effective Date (as defined below), shall oversee distribution of the Net Settlement Fund to the Authorized Claimants.

7. After the occurrence of the Effective Date (as defined below) and in accordance with the terms of the Stipulation, the Plan of Distribution, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the Plan of Distribution set forth in the Notice, or such other plan or formula for allocating the Net Settlement Fund as approved by the Court. Distribution checks will be void after one hundred and twenty (120) days after issuance. The minimum distribution check amount to an Authorized Claimant will be $10.00.

8. For purposes of determining the extent, if any, to which a Settlement Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(1) each Settlement Member will have a valid and verified mailing address; (2) each Settlement Member will receive a distribution checks of at least $10.00; and (3) each Settlement Member will agree with Defendants' records on the number of Apple Ten common shares held as of September 1, 2016.

IV. REASONS FOR THE SETTLEMENT

The Parties have determined that it is desirable and beneficial that the Action, and all of their disputes related thereto, be fully and finally settled in the manner and upon the terms and the Stipulation and the Parties believe that the Settlement is in the best interests of Apple Ten and its shareholders.

A. Why Did the Defendants Agree to Settle?

Each of the Defendants has denied and continues to deny each and all of the claims and contentions that Plaintiff has alleged. Each of the Defendants expressly has denied and continues to deny all charges of wrongdoing or liability against him, her, or it arising out of any of the conduct, statements, acts or omissions alleged in the Action. Each of the Individual Defendants also has denied and continues to deny, inter alia, each and every allegation that they breached their fiduciary duties to Apple Ten or Apple Ten's shareholders, or aided and abetted any such breach. Each of the Defendants further has asserted and continues to assert that at all material times, he, she, or it acted in good faith and in a manner he, she, or it reasonably believed to be in the best interests of Apple Ten and Apple Ten shareholders.

Nonetheless, each Defendant has concluded that the further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to limit further expense, inconvenience, and distraction, to dispose of burdensome and protracted litigation, and without further expensive litigation and the distraction and diversion of executive personnel with respect to matters at issue in the Action. Defendants have therefore determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants and Apple Ten believe that the settlement set forth in this Stipulation confers substantial benefits upon Apple Ten and Apple Ten's shareholders and that the settlement is in the best interests of Apple Ten.

B. Why did Plaintiff Agree to Settle?

Plaintiff believes that the claims asserted in the Action have merit. Plaintiff and Plaintiff's Counsel, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and appeals. Plaintiff and Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex derivative actions such as this Action, as well as the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also mindful of the inherent problems of proof and possible defenses to the violations asserted in the Complaint, including the defenses that the Defendants asserted both orally in discussions with counsel and in papers filed in the Action.

In light of the foregoing and based on Plaintiff's Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiff and Plaintiff's Counsel believe that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon the Settlement Members, Apple Ten, and its shareholders.

V. FINAL ORDER AND JUDGMENT

At the Settlement Hearing, the Parties will ask the Court to enter a Final Order and Judgment, which will, among other things:

1. approve the Settlement pursuant to Rule 23.1(c) of the Federal Rules of Civil

Procedure;

2. authorize and direct performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement;
3. grant the releases described more fully below in accordance with the terms of the Stipulation;
4. permanently bar and enjoin the Plaintiff, Apple Ten Shareholders (solely in their capacity as Apple Ten shareholders) from asserting, commencing, prosecuting or continuing, either directly, indirectly, derivatively, individually, collectively, representatively, or in any other capacity, any of the Released Claims (as defined below) as against any and all Released Parties (as defined below);
5. dismiss the Action with prejudice;
6. approve Plaintiff's Counsel's application for an award of attorneys' fees and expenses; and
7. reserve jurisdiction over all matters relating to the administration and effectuation of the Settlement.

In the event that the Court does not enter the Final Order and Judgment approving the Settlement for any reason whatsoever, or if that Judgment is modified, vacated, or reversed on appeal, then the Settlement shall be null and void. The full and complete description of the terms and conditions of the Settlement may be found in the Stipulation, which is on file with the Court.

VI. RELEASES

The Stipulation provides that, as of the first day following the date when the Court has entered the Preliminary Approval Order, entered the Final Order and Judgment, the Judgment has become Final, and the Settlement Amount shall have been paid (the "Effective Date"), Apple

Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten), and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten's shareholders) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Claims[1] against the Released Persons[2] and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Apple Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten) and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten's shareholders) shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect to such Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting the Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in the Stipulation and/or Judgment entered pursuant thereto.

Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of Apple Ten, Plaintiff, Plaintiff's Related Persons and Plaintiff's

[1] "Released Claims" means and includes any and all claims, causes of action, debts, demands, rights or liabilities whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including both known claims and any Unknown Claims (defined in the Stipulation at Section V.A.31.) that have been, or could have been asserted in the Action by Plaintiff, Apple Ten, or any Apple Ten Shareholder derivatively on behalf of Apple Ten against any of the Released Persons that are based upon or related to: (i) the allegations, transactions, facts, matters, or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint; and/or (ii) the settlement of the Action, including the payment provided for in the Stipulation, except claims to enforce any of the terms of the Stipulation.

[2] "Released Persons" shall mean and include (i) each of the Individual Defendants; (ii) Apple Ten; (iii) any Apple Ten shareholder, derivatively on behalf of Apple Ten; (iv) Apple Hospitality, and (v) each and all of their Related Persons. "Related Persons" is defined in the Stipulation at Section V.A.24.

Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Action or the Released Claims.

VII. PLAINTIFF'S COUNSEL'S APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Plaintiff's Counsel have neither received any payment for their services in prosecuting the Action on behalf of Plaintiff and Apple Ten, nor been paid for their litigation expenses incurred to date. Plaintiff's Counsel intend to apply to the Court for an award of attorneys' fees for their role in the prosecution and settlement of the Action of one-third (1/3) of the Settlement Amount plus reimbursement of expenses, and Defendants will not oppose or object to the Fee and Expense Application.

Neither you nor any other Settlement Member will be personally liable for the Fee and Expense Award as defined in the Stipulation at Section V.A.11. The Fee and Expense Award approved by the Court will be the only payment to Plaintiff's Counsel to compensate them for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis.

VIII. PLAINTIFF'S CASE CONTRIBUTION AWARD

In light of the substantial benefit Plaintiff has helped to create for Apple Ten and its shareholders, Plaintiff may apply for a Court-approved case contribution award in the amount of $15,000 (the "Case Contribution Award"). The Case Contribution Award shall be funded from the Gross Settlement Fund, to the extent that this settlement is approved in whole or part.

IX. THE SETTLEMENT HEARING

The Settlement Hearing will be held on _________, 2016/2017 at ___:00 __.m., before the Honorable John Gibney, Jr., at the Spottswood W. Robinson III and Robert R. Merhige, Jr., Federal Courthouse, 701 East Broad Street, Richmond, VA 23219.

Pending determination of whether the Settlement should be approved, no Apple Ten shareholder, either directly, representatively, derivatively or in any other capacity, shall commence or prosecute against any of the Released Persons, any action or proceeding in any court, administrative agency or other tribunal asserting any of the Released Claims.

X. YOUR RIGHT TO ATTEND THE SETTLEMENT HEARING

Any Apple Ten Shareholder may, but is not required to, appear in person at the Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court has the right to change the hearing date or time without further notice. Thus, if you are planning to attend the Settlement Hearing, you should confirm the date and time before going to the Court. Apple Ten Shareholders who have no objection to the Settlement do not need to appear at the Settlement Hearing or take any other action.

XI. RIGHT TO OBJECT TO THE PROPOSED SETTLEMENT AND PROCEDURES FOR DOING SO

Any Apple Ten Shareholder may appear and show cause, if he, she or it has any reason why the Settlement of the Action should not be approved as fair, reasonable and adequate, or why a judgment should not be entered thereon, or why the Fee and Expense Application should not be approved or why the Case Contribution Award should not be approved. You must object in writing, and you may request to be heard at the Settlement Hearing. If you choose to object, then you must follow these procedures.

A. You Must Make Detailed Objections in Writing and Include the Following:

1. Your name, legal address and telephone number:
2. The case name and number (*James Quinn v. Glade M. Knight, et al.*, 3:16-cv-00610-JAG);
3. Proof of being an Apple Ten Shareholder;
4. The date(s) you acquired your Apple Ten shares;
5. A statement of each objection being made;
6. Notice of whether you intend to appear at the Settlement Hearing. You are not required to appear; and
7. Copies of any papers you intend to submit to the Court, along with the names of any witness(es) you intend to call to testify at the Settlement Hearing and the subject(s) of their testimony.

The Court may not consider any objection that does not substantially comply with these requirements.

B. You Must Timely Deliver Written Objections to the Court

All written objections and supporting papers must be submitted to the Court and Counsel either by mailing them to:

Clerk of Court
United States District Court
Eastern District of Virginia
Spottswood W. Robinson III and Robert R. Merhige, Jr., Federal Courthouse
701 East Broad Street,
Richmond, VA 23219

OR by filing them in person at any location of the United States District Court for the Eastern District of Virginia.

All written objections and supporting papers must also be sent to:

KESSLER TOPAZ MELTZER & CHECK, LLP
Robin Winchester Esq.
280 King of Prussia Road
Radnor, Pennsylvania 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056

Attorneys for Plaintiff

and

MCGUIREWOODS LLP
Elizabeth Edwards, Esq.
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219
Telephone: (804) 775-1000
Facsimile: (804) 775-1061
HOGAN LOVELLS US LLP
Jon Myer Talotta, Esq.
Park Place II
7930 Jones Branch Drive, 9th Floor
McLean, Virginia 22102
Telephone: (703) 610-6100
Facsimile: (703) 610-6200

Attorneys for Defendants

YOUR WRITTEN OBJECTIONS MUST BE DELIVERED BY OR ON FILE WITH THE CLERK OF COURT NO LATER THAN ___________________.

Any Apple Ten Shareholder who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection (including any right of appeal) and shall forever be foreclosed from making any such objection, including any objection to the fairness or adequacy of the proposed Settlement as incorporated in the Stipulation, unless otherwise ordered by the Court.

XII. EXAMINATION OF PAPERS

This Notice is not all-inclusive. The references in this Notice to the pleadings in this Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims that have been asserted, and the terms and conditions of the Settlement, you may refer to the Stipulation and the other papers on file with the Court in the Action. You or your attorney may examine the Court's files during regular business hours of each business day at the office of the Clerk of the United States District Court for the Eastern District of Virginia, Richmond Division, at the Spottswood W. Robinson

III and Robert R. Merhige, Jr., Federal Courthouse, 701 East Broad Street, Richmond, VA 23219.

IF YOU HAVE ANY QUESTIONS, PLEASE MAKE ALL INQUIRIES TO:

KESSLER TOPAZ MELTZER & CHECK, LLP
Robin Winchester, Esq.
280 King of Prussia Road
Radnor, Pennsylvania 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056

PLEASE DO NOT CONTACT THE COURT DIRECTLY

Dated: ___________________________

DISTRIBUTED BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION

Exhibit "B"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

JAMES QUINN, Derivatively on Behalf of Nominal Defendant APPLE REIT TEN, INC., Plaintiff, v. GLADE M. KNIGHT, JUSTIN KNIGHT, KENT W. COLTON, R. GARNETT HALL, JR., DAVID J. ADAMS, ANTHONY F. KEATING III, DAVID BUCKLEY, KRISTIAN GATHRIGHT, DAVID MCKENNEY, BRYAN PEERY, and APPLE HOSPITALITY REIT, INC., Defendants, and APPLE REIT TEN, INC., Nominal Defendant.	Case No. 3:16-cv-00610-JAG

[PROPOSED] ORDER REGARDING PRELIMINARY APPROVAL AND NOTICE

WHEREAS, as of November 28, 2016, the Parties to the above-captioned shareholder derivative action (the "Action") entered into a Stipulation and Agreement of Compromise, Settlement, and Release (the "Stipulation") which is subject to review under Federal Rule of Civil Procedure 23.1(c) and which, together with the exhibits thereto, sets forth the complete terms and conditions of the proposed settlement of the Action (the "Settlement") and for dismissal of the Action with prejudice upon the terms and conditions set forth therein.

WHEREAS, this Court, having read and considered the Stipulation and the accompanying documents thereto; and all Parties have consented to entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED this ___ day of ________, 2016, that:

1. Except for the terms defined herein, the Court adopts and incorporates the definitions in the Stipulation for purposes of this Order;

2. This Court preliminarily approves the proposed Settlement on the terms and conditions set forth in the Stipulation subject to final approval after a fairness hearing is held at which all Apple Ten Shareholders shall have an opportunity to be heard after due notice is provided in accordance with the procedures set forth herein and in the Stipulation;

3. A hearing (the "Settlement Hearing") is hereby scheduled to be held on before the Court on ____________________, at __:__ _.m., at the United States Courthouse, 701 East Broad Street, Richmond, Virginia 23219, for the United States District Court for the Eastern District of Virginia for the following purposes:

a. To determine whether the proposed Settlement should be approved as fair, reasonable, adequate, and in the best interests of Apple Ten Shareholders;

b. To determine whether the Plan of Distribution should be approved;

c. To determine whether the Final Order and Judgment as provided for under the terms of the Stipulation should be entered, dismissing the remaining shareholder derivative claims filed in the Action with prejudice; and to determine whether releases should be provided to the Released Parties, as defined and set forth in the Stipulation;

d. To consider whether, upon application to the Court, to approve Plaintiff's Counsel's Fee and Expense Application;

e. To consider whether, upon application to the Court, to approve Plaintiff's Case Contribution Award; and

f. To rule upon such other matters as this Court may deem appropriate.

4. This Court reserves the right (a) to approve the Settlement at or after the Settlement Hearing with such modification(s) to the Stipulation as may be consented to by counsel for the parties and without further notice to Apple Ten Shareholders, and (b) to continue or adjourn the Settlement Hearing from time to time, by oral announcement at the hearing or at any adjournment thereof, without further notice to Apple Ten Shareholders;

5. Plaintiff's Counsel is hereby authorized to retain Strategic Claims Services as the Claims Administrator in connection with the Settlement to supervise and administer the notice and distribution procedures as more fully set forth below and in the Stipulation.

6. The Court approves, as to form and content, the Notice (attached to the Stipulation as Exhibit A) and finds that the mailing and distribution of the Notice substantially in the manner and form set forth in this Order and the Stipulation meets the requirements of Federal Rule of Civil Procedure 23.1, due process, and applicable law, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

7. No later than twenty (20) days after entry of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the Notice, substantially in the form attached to the Stipulation as Exhibit A to be mailed by first-class mail, postage prepaid, to all Apple Ten Shareholders who may be identified through reasonable effort, including through the cooperation of Defendants and/or its agents to provide stockholder lists as set forth in the Stipulation. The Claims Administrator is authorized to pay the costs of providing Notice from the Escrow Account.

8. The Parties shall execute all of their respective duties and responsibilities under the Settlement to cause the Settlement to be brought before this Court for final approval pursuant to the terms of the Settlement;

9. No later than twenty-one (21) days before the Settlement Hearing, Plaintiff shall serve and file his brief and supporting papers in support of the Settlement, an application for attorneys' fees and expenses, and application for case contribution award for Plaintiff;

10. All objections to the terms of the Settlement by Apple Ten Shareholders shall be filed with the Court and delivered and/or received by Plaintiff's Counsel no later than fourteen (14) days before the Settlement Hearing;

11. Any parties' responses to any objections shall be filed no later than seven (7) days prior to the Settlement Hearing;

12. Any Apple Ten Shareholder may appear at the Settlement Hearing and show cause, if he, she, or it has any reason why the Settlement of the Action embodied in the Stipulation should not be approved as fair, reasonable, and adequate, or why a judgment should or should not be entered hereon, or why the Fee and Expense Application should not be awarded; provided however, that no Apple Ten Shareholder shall be heard or entitled to contest the approval of the proposed Settlement or, if approved, the Final Order and Judgment to be entered hereon, unless that Apple Ten Shareholder has caused to be filed written objections, stating all supporting bases and reasons for the objection; setting forth proof of ownership of Apple Ten stock as of September 1, 2016; clearly identifying any and all witnesses, documents, and other evidence of any kind that are to be presented at the Settlement Hearing in connection with such objections; and setting forth the substance of any testimony to be given by such witness, with:

CLERK OF COURT
United States District Court for the Eastern District of Virginia
701 East Broad Street
Richmond, Virginia 23219

On or before ________________, and has served copies of all such papers at the same time upon the following by fax, by hand, or overnight mail:

KESSLER TOPAZ MELTZER & CHECK, LLP
Robin Winchester, Esq.
280 King of Prussia Road
Radnor, Pennsylvania 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056

Attorneys for Plaintiff

And

MCGUIREWOODS LLP
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HOGAN LOVELLS US LLP
Jon Myer Talotta, Esq.
Park Place II
7930 Jones Branch Drive, 9th Floor
McLean, Virginia 22102
Telephone: (703) 610-6100
Facsimile: (703) 610-6200

Attorneys for Defendants

13. Any Apple Ten Shareholder wishing to be heard at the Settlement Hearing is required to include a notice of intention to appear at the Settlement Hearing together with their written objection;

14. Any Apple Ten Shareholder who does not make his, her, or its objection in substantially the manner as provided in the preceding paragraphs of this Order shall be deemed

to have waived such objection and shall forever be foreclosed from (i) making any objections to the fairness, adequacy, or reasonableness of the Settlement, or (ii) making any objections to the fairness and reasonableness of the Fee and Expense Application;

15. If the Settlement is terminated pursuant to the terms of the Stipulation then in any such event, the Stipulation, including any amendments thereof, shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her, or its respective position as it existed prior to entry of this Order;

16. All Apple Ten Shareholders shall be bound by the applicable determination and orders, and the Judgment, whether favorable or unfavorable to any of them;

17. All proceedings in the Action, with the exception of proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final determination of whether the Settlement should be approved, Plaintiff and all Settlement Members are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any Released Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Persons.

Dated: __________________

____
John A. Gibney, Jr.,
United States District Judge

Exhibit "C"

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

JAMES QUINN, Derivatively on Behalf of Nominal Defendant APPLE REIT TEN, INC., Plaintiff, v. GLADE M. KNIGHT, JUSTIN KNIGHT, KENT W. COLTON, R. GARNETT HALL, JR., DAVID J. ADAMS, ANTHONY F. KEATING III, DAVID BUCKLEY, KRISTIAN GATHRIGHT, DAVID MCKENNEY, BRYAN PEERY, and APPLE HOSPITALITY REIT, INC., Defendants, and APPLE REIT TEN, INC., Nominal Defendant.	Case No. 3:16-cv-00610-JAG

[PROPOSED] ORDER AND FINAL JUDGMENT

This matter came before the Court for a hearing pursuant to Rule 23.1 of the Federal Rules of Civil Procedure and pursuant to the Preliminary Approval Order of this Court dated ________________, entered on ________________ [Dk. No. ___], on the application of the parties for approval of the Settlement[1] set forth in the Stipulation, executed on November 28, 2016, on behalf of the Parties. Due and adequate notice having been given, as required in the Preliminary Approval Order, and this Court having considered the Stipulation, all papers filed

[1] Capitalized terms not otherwise defined in this Order shall have the same meaning as ascribed to them in the Preliminary Approval Order and/or Stipulation of Settlement.

and proceedings held herein, and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. This Court has jurisdiction over the subject matter of this shareholder derivative action (the "Action") and over all parties to the Action;

2. The record shows that Notice has been given to Apple Ten Shareholders in the manner approved by the Court in its Scheduling Order dated ___________, 2016. The Court finds that such Notice: (i) constitutes reasonable and the best notice practicable under the circumstances; (ii) constitutes notice that was reasonably calculated, under the circumstances, to apprise all Apple Ten Shareholders who could reasonably be identified of the pendency of the Action, the terms of the Settlement, and Apple Ten Shareholders' right to object to and to appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons or entities entitled to receive notice in accordance with Federal Rule of Civil Procedure 23.1; and (iv) meets the requirements of due process.

3. The Action and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice as to the Released Persons. The Parties are to bear their own costs, except as otherwise provided in the Stipulation;

4. The Court finds that the Settlement, including the Plan of Distribution, is fair, just, reasonable, and adequate to the Settlement Members, and that the Stipulation, and the Settlement contained therein, is hereby finally approved in all respects, and the Parties are hereby directed to perform its terms;

5. Upon the Effective Date hereof, Plaintiff, on behalf of himself, shall be deemed to have, and by operation of the judgment shall have, absolutely and unconditionally released and forever discharged the Released Parties from the Released Claims;

6. Upon the Effective Date hereof, Apple Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten), and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten shareholders) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Apple Ten, Plaintiff (acting on his own behalf and derivatively on behalf of Apple Ten) and each of Apple Ten's Shareholders (solely in their capacity as Apple Ten's shareholders) shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect to such Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting the Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation and/or Judgment entered pursuant thereto;

7. After the Effective Date, the Defendants and their Related Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Net Settlement Fund, the Plan of Distribution, the determination, administration, calculation, or payment of claims, the payment or withholding of taxes, tax expenses or any losses incurred in connection therewith.

8. No Person shall have any claim against Plaintiff's Counsel, the Claims Administrator or other agent designated by Plaintiff's Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Distribution, or further orders of the Court.

9. Plaintiff's Counsel are hereby awarded attorneys' fees of, pursuant to Federal Rule of Civil Procedure 23.1, in the amount of $_______________, which the Court finds to be fair and reasonable, and $_____________ in reimbursement for Plaintiff's Counsel's reasonable expenses incurred in prosecuting the Action. The attorneys' fees and expenses so awarded shall be paid from the Gross Settlement Fund pursuant to the terms of the Stipulation. All fees and expenses paid to Plaintiff's Counsel shall be paid pursuant to the process and timing requirements described in the Stipulation;

10. Plaintiff is hereby awarded a case contribution award of $15,000;

11. Neither the Stipulation nor the terms of the Stipulation shall be offered or received into any action or proceeding for any purposes except (a) in an action or proceeding arising under this Stipulation or arising out of or relating to the Preliminary Approval Order or the Final Order and Judgment; or (b) in any action or proceeding where the Releases provided pursuant to the Stipulation may serve as a bar to recovery;

12. The Stipulation and the terms of the Stipulation:

a. Shall not be offered or received against any of the Defendants as evidence of, or construed as or deemed to be evidence of, and presumption, concession, or admission by any Defendant with respect to the truth of any fact alleged by Plaintiff or the validity of any claim that has been or could have been asserted in this Action or in any litigation, or of an liability, negligence, fault, or wrongdoing, or against the Plaintiff as evidence of any infirmity in the claims of Plaintiff or that damages are unrecoverable; and

b. Shall not be offered or received against any of the Defendants or Plaintiff as evidence of a presumption, concession, or admission with respect to any liability, negligence, fault, or wrongdoing, or in any way referred to for any other reason against any of the parties to the Stipulation, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation.

13. Without affecting the finality of this Judgment, the Court retains continuing and exclusive jurisdiction over all matters relating to administration, consummation, enforcement and interpretation of the Stipulation, the Settlement, and of this Judgment, to protect and effectuate this Judgment, and for any other necessary purpose. Plaintiff, Defendants, each Settlement Member and Apple Ten Shareholder are hereby deemed to have irrevocably submitted to the exclusive jurisdiction of this Court, for the purpose of any suit, action, proceeding or dispute arising out of or relating to the Settlement or the Stipulation, including the exhibits thereto, and only for such purposes. Without limiting the generality of the foregoing, and without affecting the finality of this Judgment, the Court retains exclusive jurisdiction over any such suit, action or proceeding. Solely for purposes of such suit, action or proceeding, to the fullest extent they may effectively do so under applicable law, Plaintiff, Defendants, each Settlement Member and each Apple Ten Shareholder are hereby deemed to have irrevocably waived and agreed not to assert, by way of motion, as a defense or otherwise, any claim or objection that they are not subject to the jurisdiction of this Court, or that this Court is, in any way, an improper venue or an inconvenient forum.

14. This Court finds that during the course of the litigation, Plaintiff and the Defendants and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11;

15. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or in the event that the Gross Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent

provided by and in accordance with the Stipulation and shall be vacated, and in such events, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation;

16. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation; and

17. Final Judgment shall be entered.

SO ORDERED this ____ day of ___________, 201__.

____
John A. Gibney, Jr.,
United States District Judge